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Building international business bridges in geographically isolated areas: The role of Foreign Market Focus and Outward Looking Competences in Latin American SMEs

Ferran Vendrell-Herrero^a, Emanuel Gomes^{ab*}, Kamel Mellahi^c and John Child^a

^a *Birmingham Business School, University of Birmingham, United Kingdom;*

^b *Nova School of Business and Economic, Universidade Nova, Portugal*

^c *Warwick Business School, University of Warwick, United Kingdom*

Abstract

This paper focuses on the internationalization of SMEs located in geographically isolated contexts like Latin America. We argue that strategic priorities towards foreign markets, Foreign Market Focus (FMF), as well as “Outward Looking Competences” (OLC) are important factors in enhancing productivity, and ultimately achieving a sustainable competitive presence abroad. FMF and OLC lay the foundation for setting better international business relations with foreign clients and increase opportunities for learning and attaining economies of scale. Results demonstrate the significance of FMF as a means of enhancing productivity only in manufacturing firms. OLC positively moderates the relation between FMF and productivity.

Keywords: Foreign Market Focus, Outward Looking Competences, Exports, Productivity, Latin American SMEs, Multilatinas.

** Corresponding Author: Emanuel Gomes (Birmingham Business School, University of Birmingham, Birmingham, B15 2TY, UK), email: E.Gomes@bham.ac.uk)*

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